

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7653

BILL NUMBER: SB 549

NOTE PREPARED: Apr 11, 2005

BILL AMENDED: Apr 7, 2005

SUBJECT: Self-Insurance for Amusement Rides.

FIRST AUTHOR: Sen. Broden

FIRST SPONSOR: Rep. Whetstone

BILL STATUS: As Passed House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill exempts a governmental entity that is subject to the tort claims act and files notice of self-insurance from the requirement that an amusement device operator must purchase a certain amount of liability insurance coverage.

The bill also provides that the Office of the State Building Commission may reduce the aggregate liability insurance requirement from \$5,000,000 to \$1,000,000 for a regulated amusement device operator that operates only bull ride simulators that are multiride electric units with bull ride attachments.

Effective Date: Upon Passage.

Explanation of State Expenditures: A state agency could be affected by this bill if it applies for any of the affected permits. See *Explanation of Local Expenditures*.

Explanation of State Revenues: *Office of State Building Commissioner:* The bill could potentially affect the number of permits issued by the Commissioner, which range in price from \$25 to \$288. In FY 2004, the permits offered for regulated lifting devices and regulated amusement devices generated approximately \$2.2 M in revenue, which was deposited in the Fire and Building Services Fund.

Explanation of Local Expenditures: (Revised) This bill would allow a governmental entity to obtain a permit to operate an amusement device by submitting notification of being self-insured, rather than submitting proof of having an insurance policy, or by having only \$1M in aggregate coverage under certain circumstances.

By allowing a governmental entity to consider itself self-insured, the bill could have a fiscal impact if the entity saves expenses from not making insurance premium payments. Alternatively, expenses could increase if an occurrence caused a higher amount to be paid out than what might have otherwise been paid in premium payments.

Requiring only \$1M in annual aggregate liability insurance coverage for permit holders that operate only certain bull ride simulators could reduce insurance premium costs.

Explanation of Local Revenues: The bill could also potentially have a fiscal impact if the entity could accrue interest on the money that would have been spent on premium payments.

State Agencies Affected: Office of State Building Commissioner; Governmental entities.

Local Agencies Affected: Governmental entities.

Information Sources:

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